

# Do I Have to File?

## Steps to Determine Filing Requirement

**Step 1:** Is your gross income (all income received from all sources in the form of money, goods, property, and services that are not exempt from tax) more than the amount shown in the California Gross Income chart below for your filing status, age, and number of dependents? If yes, you have a filing requirement. If no, go to Step 2.

**Step 2:** Is your adjusted gross income (federal adjusted gross income from all sources reduced or increased by all California income adjustments) more than the amount shown in the California Adjusted Gross Income chart below for your filing status, age, and number of dependents? If yes, you have a filing requirement. If no, you do not have a filing requirement, but you may be eligible for the federal EITC. See page 2 for more information.

On 12/31/07, my filing status was:	and on 12/31/07, my age was: (If your 65th birthday is on January 1, 2008, you are considered to be age 65 on	California Gross Income			California Adjusted Gross Income		
		Dependents			Dependents		
		0	1	2 or more	0	1	2 or more
Single or Head of household	Under 65 65 or older	14,138 18,838	23,938 26,188	31,288 32,068	11,310 16,010	21,110 23,360	28,460 29,240
Married/RDP filing jointly Married/RDP filing separately (The income of both spouses/RDPs must be combined; both spouses/RDPs may be required to file a tax return even if only one spouse/RDP had income over the amounts listed.)	Under 65 (both spouses/RDPs) 65 or older (one spouse/RDP) 65 or older (both spouses/RDPs)	28,276 32,976 37,676	38,076 40,326 45,026	45,426 46,206 50,906	22,620 27,320 32,020	32,420 34,670 39,370	39,770 40,550 45,250
Qualifying widow(er)	Under 65 65 or older		23,938 26,188	31,288 32,068		21,110 23,360	28,460 29,240
Dependent of another person Any filing status	Any age	More than your standard deduction (Use the California Standard Deduction Worksheet for Dependents on page 11 or page 12 to figure your standard deduction.)					

## Requirements for Children with Investment Income

Federal law allows parents' election to report a child's interest and dividend income from a child under age 18 on their return. California allows you to report your child's interest and dividend income on your return if they are under age 14. For each child under age 14 who received more than \$1,700 of investment income in 2007, complete Form 540 and form FTB 3800, Tax Computation for Children Under Age 14 with Investment Income, to figure the tax on a separate Form 540 for your child.

If you qualify, you may elect to report your child's income of \$8,500 or less (but not less than \$850) on your return by completing form FTB 3803, Parents' Election to Report Child's Interest and Dividends. To make this election, your child's income must be **only** from interest and/or dividends. See "Order Forms and Publications" on page 67 or go to our Website at [www.ftb.ca.gov](http://www.ftb.ca.gov).

## Other Situations When You Must File

If you owe any of the following taxes for 2007, you must file Form 540.

- Tax on a lump-sum distribution.
- Tax on a qualified retirement plan including an Individual Retirement Arrangement (IRA) or an Archer Medical Savings Account (MSA).
- Tax for children under age 14 who have investment income greater than \$1,700 (see paragraph above).
- Alternative minimum tax.
- Recapture taxes.
- Deferred tax on certain installment obligations.
- Tax on an accumulation distribution from a trust.

## Filing Status

Use the same filing status for California that you used for your federal income tax return, unless you are an RDP. If you are an RDP and file single for federal, you must file married/RDP filing jointly or married/RDP filing separately for California. If you are an RDP and file head of household for federal purposes, you may file head of household for California purposes only if you meet the requirements to be considered not in a domestic partnership.

**Exception:** If you file a joint return for federal purposes, you may file separately for California if either spouse was:

- An active member of the United States armed forces or any auxiliary military branch during 2007.
- A nonresident for the entire year and had no income from California sources during 2007.

For additional RDP filing status information get FTB Pub. 737, Tax Information for Registered Domestic Partners.

**Community Property States:** If the spouse earning the California source income is domiciled in a community property state, community income will be split equally between the spouses. Both spouses will have California source income and they will not qualify for the nonresident spouse exception. If you had no federal filing requirement, use the same filing status for California that you would have used to file a federal income tax return.

If you filed a joint return and either you or your spouse/RDP was a nonresident for 2007, file the Long or Short Form 540NR, California Nonresident or Part-Year Resident Income Tax Return.

**Single – If any** of the following was true on December 31, 2007:

- You were never married or an RDP.
- You were divorced under a final decree of divorce, legally separated under a final decree of legal separation, or terminated your registered domestic partnership.
- You were widowed before January 1, 2007, and did not remarry or enter into another registered domestic partnership in 2007.

**Married/RDP Filing Jointly – If any** of the following is true:

- You were married or an RDP as of December 31, 2007, even if you did not live with your spouse/RDP at the end of 2007.
- Your spouse/RDP died in 2007 and you did not remarry or enter into another registered domestic partnership in 2007.
- Your spouse/RDP died in 2008 before you filed a 2007 return.

**Married/RDP Filing Separately**

- Community property rules apply to the division of income if you use the married/RDP filing separately status. For more information, get FTB Pub. 1031, Guidelines for Determining Resident Status, FTB Pub. 737, Tax Information for Registered Domestic Partners, FTB Pub. 1051A, Guidelines for Married/RDP Filing Separate Returns, or FTB Pub. 1032, Tax Information for Military Personnel. See "Order Forms and Publications" on page 67.
- You cannot claim a personal exemption credit for your spouse/RDP even if your spouse/RDP had no income, is not filing a return, and is not claimed as a dependent on another person's return.
- You may be able to file as head of household if your child lived with you and you lived apart from your spouse/RDP during the entire last six months of 2007.

**Head of Household** is for unmarried individuals and certain married individuals or RDPs living apart who provide a home for a specified relative. You are entitled to use head of household filing status only if ALL of the following apply:

- You were unmarried and not in a registered domestic partnership, or you met the requirements to be considered unmarried or considered not in a registered domestic partnership on December 31, 2007.
- You paid more than one-half the cost of keeping up your home for the year in 2007.
- For more than half the year, your home was the main home for you and one of the specified relatives who by law can qualify you for head of household filing status.
- You were not a nonresident alien at any time during the year.

Beginning in 2005, for a child to qualify as your foster child for head of household purposes, the child must either be placed with you by an authorized placement agency or by order of a court.

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